

Fact sheet – Tax rate change for non-resident seasonal workers

Improving accuracy of non-resident seasonal workers tax rate

- The personal tax rate that applies to non-resident seasonal workers is being changed to 10.5% and will apply from 1 April 2011. The new rate better reflects the income levels earned by these workers while working in New Zealand, particularly since personal tax rates were lowered in Budget 2010. The previous rate was 15%.
- The non-resident seasonal worker tax rate is used by workers employed from Pacific Island nations under the Recognised Seasonal Employer scheme. The scheme is administered by the Department of Labour.
- The non-resident seasonal worker rate is a flat rate of tax which reflects the average tax rate faced by these workers on their New Zealand-sourced income according to the personal tax rate scale.
- Recent data shows that 80% of non-resident seasonal workers have New Zealand income of less than \$14,000. This indicates that the rate should now be set at the lowest marginal rate of 10.5%.
- The tax rate change will take effect from 1 April 2011.